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1. On 27 June 1952, Mildner fnu, Head of DIA Bergbau, told a [redacted] friend that the present East German trade balance was so unfavorable as to preclude, for the moment, the placing of any large import order, except on a barter basis.
2. Mildner explained that this situation resulted from conducting export trade through State Trading Agencies, most of whose officials were completely unversed in established business methods. Thus, nobody ever bothered to investigate the standing of the firms with which the East German Government placed large-scale export contracts. Many West European firms which traded with the East were completely unscrupulous and often of shaky financial standing and had no hesitation in accepting the placing of large-scale export deals on behalf of the East German Government, but when it came to the question of payment, they very often delayed in the hope that the market would deteriorate or even defaulted outright.
3. In such cases, the East German Government could obtain no redress since the firms' assets were generally in no way commensurate with the large sums involved which, quite apart from the numerous complications in taking legal action against the firms, did not make such a course worth while.
4. The result of this state of affairs was that while the East German Government's import plans were more or less fulfilled both on paper and in practice (since buying is always easier than selling), export plans had been fulfilled only on paper and lagged way behind imports in actuality.

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